APPENDIX I.

[*Vide* answer to starred question No. 179 asked by Sri K. Sattanatha Karayalar (on behalf of Sri A. R. Subbiah Mudaliar) at the meeting of the Legislative Assembly held on 22nd July 1957, page 117 *supra*.]

(*a*) & (*b*) The Government have not imposed a ban on the issue of licences under the Madras Rice Mills Licensing Order, 1955, to new rice mills. The policy of the Government was clearly stated in their Press Note, dated 11th January 1956, which stated as follows :—

" The policy of Government is to encourage the hand-pounding of paddy and to discourage the milling of paddy and the installation of new rice mills. The public are, therefore, informed that, thereafter, no commitment should be made for the installation of new rice mills without the specific approval of the Collector of the district."

The Government reconsidered the matter and issued orders in March 1957. The position is as follows :—

The Collector of the district, who is the licensing authority under the Madras Rice Mills Licensing Order, 1955, will be guided by the following principles, while granting licences for new rice mills—

(i) In granting licences to the new rice mills, the licensing authorities should bear in mind that the future development of the hand-pounding industry should not be hampered by the rapid expansion of rice mills.

(ii) The licensing authorities will also consider the number of rice mills functioning in the locality and the adequacy of the rice mills to hull the paddy produced in the adjacent area.

(iii) Cases of hardship, if any, in the implementation of the instructions in (*a*) and (*b*) above should be dealt with on the merits of each case by the licensing authorities.

(*c*) In view of the answer to clauses (*a*) and (*b*), this question does not arise. There is no question of exempting any rice mill from the operation of the Licensing Order. It is either issued or refused a licence.

(*d*) Prior to 31st May 1956, a fee of Rs. 24 per annum per licence was levied under the Madras Rice Mills Licensing Order, 1955, for the initial issue and subsequent renewal of a licence. The Government of India stated that State Governments should not make any revenue on the issue of licences and that this Government might consider the desirability of fixing Rs. 2 as the fee for the initial issue of licence and Re. 1 for subsequent renewal. As the scales suggested by the Government of India are sufficient to cover the cost of the administration of the Madras Rice Mills Licensing Order, 1955, the reduced scales of levy suggested by Government of India were given effect to from 31st May 1956.